

12-013 Classification of Residents and Corresponding Weights

12-013.01 Resident Level of Care: The Department shall assign each resident to a level of care based on information contained on his/her assessment form which is completed in accordance with 471 NAC 12-008. There are nineteen levels of care. Levels of care are arranged in a hierarchy according to the following descriptions. Residents without the characteristics which result in a classification of Extensive Special Care 3 are analyzed for the characteristics which result in a classification of Extensive Special Care 2; if Extensive Special Care 2 is not appropriate, the next classification is considered in-turn until the appropriate classification for the resident is determined.

1. A resident is assigned to Extensive Special Care 3 (level NF70) if the resident has an ADL Index score (see 471 NAC 12-013.02) of seven or more, and has three or four of the following conditions (with MDS +/- reference):
  - a. Parenteral feeding (L.4.a.)
  - b. Suctioning (N.1.d.)
  - c. Tracheostomy (N.1.e.)
  - d. Ventilator/Respirator (N.1.j.)
2. A resident is assigned to Extensive Special Care 2 (level NF69) if the resident has an ADL Index score of 7 or more, and has two of the conditions listed in 1 above.
3. A resident is assigned to Extensive Special Care 1 (level NF68) if the resident has an ADL Index score of 7 or more, and has one of the conditions listed in 1 above.
4. A resident is assigned to Special Special Care 3 (level NF62) if the resident has an ADL Index score of 17 or 18, and has at least one of the following conditions:
  - a. Burns (J.4.c.);
  - b. Coma (B.1.);
  - c. Fever (K.3.e.) in combination with any of the following: vomiting (K.3.m.), weight-loss (of 5% in the last month or 10% in the last 6 months) (L.2.b.), pneumonia (K.1.o.), or dehydration (L.3.b.);
  - d. Multiple sclerosis (K.1.l.);
  - e. Pressure ulcers of stage 3 (J.2.c.) or 4 (J.2.d.);
  - f. Quadriplegia (H.4.d.);
  - g. Septicemia (K.1.dd.);
  - h. IV medications (N.1.a.f.);
  - i. Radiation treatment (N.1.a.b.); or
  - j. Tube feeding (L.4.b.).

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5. A resident is assigned to Special Special Care 2 (level NF61) if the resident has an ADL Index score of 14 through 16, and has at least one of the conditions listed in 4 above.
6. A resident is assigned to Special Special Care 1 (level NF60) if the resident has an ADL Index score of 7 through 13, and has at least one of the conditions listed in 4 above.
7. A resident is assigned to Clinically Complex 4 (level NF56) if the resident has an ADL Index score of 17 or 18, and has at least one of the following conditions:
  - a. Aphasia (K.1.j.);
  - b. Aspirations (K.3.j.);
  - c. Cerebral palsy (1.12.b.);
  - d. Dehydration (L.3.b.);
  - e. Hemiplegia (H.4.c.);
  - f. Internal Bleeding (K.3.g.);
  - g. Pneumonia (K.1.o.);
  - h. Stasis ulcer (J.1.);
  - i. Terminal illness (K.1.z.);
  - j. Urinary tract infection (K.1.ee.);
  - k. Chemotherapy (N.1.a.a.);
  - l. Dialysis (N.1.a.c.);
  - m. Four or more physician visits/orders (N.5.);
  - n. Respiratory therapy (N.1.b.e.);
  - o. Transfusions (N.1.a.g.);
  - p. O2 (N.1.h.);
  - q. Surgical wounds (J.4.d.) and Surgical wound/pressure ulcer care (J.5.d.); or
  - r. Cuts (other than surgery) (J.4.e.) or Open lesions other than stasis/pressure ulcers) (J.4.f.); AND other skin care/treatment (J.5.e.) or foot soaks (J.7.b.) or foot care dressings (J.7.c.).
8. A resident is assigned to Clinically Complex 3 (level NF55) if the resident has and ADL Index score of 11 through 16, and has at least one of the conditions listed in 7 above.
9. A resident is assigned to Clinically Complex 2 (level NF54) if the resident has an ADL Index score of 6 through 10, and has at least one of the conditions listed in 7 above. Residents who qualify for Extensive Special or Special Special groups but have an ADL Index score of 6 are also assigned to this level.

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10. A resident is assigned to Clinically Complex 1 (level NF53) if the resident has an ADL Index score of 4 or 5, and has at least one of the conditions listed in 7 above. Residents who qualify for Extensive Special or Special Special groups but have an ADL Index score of 4 or 5 are also assigned to this level.
11. A resident is assigned to Impaired Cognitive 2 (NF49) if the resident has an ADL Index score of 6 through 10, and has impairment in all three of the following categories:
  - a. Cognitive skills (B.4., 1., 2. or 3.)
  - b. Memory/Recall (B.3.a. or b. or c. or d.)
  - c. Short-term memory (B.2.a.1.)
12. A resident is assigned to Impaired Cognitive 1 (level NF48) if the resident has an ADL Index score of 4 or 5, and has all of the impairments listed in 11. above.
13. A resident is assigned to Challenging Behavior 2 (level NF45) if the resident has an ADL Index score of 6 through 10, and has a behavior code of "2" in at least one of the following:
  - a. Inappropriate behavior (E.3.d.);
  - b. Physical abuse (E.3.c.);
  - c. Verbal abuse (E.3.b.);
  - d. Wandering (E.3.a.); or
  - e. Hallucinations/delusions (K.3.f.).
14. A resident is assigned to Challenging Behavior 1 (level NF44) if the resident has an ADL Index score of 4 or 5, and displays problems with at least one of the conditions listed in 13 above.
15. A resident is assigned to Physical Function 5 (level NF39) if the resident has not qualified for another level of care and has an ADL Index score of 16 through 18. Residents who qualify for Impaired Cognitive/Behavioral Problem groups but have an ADL Index score of 16 through 18 are also assigned to this level.
16. A resident is assigned to Physical Function 4 (level NF38) if the resident has not qualified for another level of care and has an ADL Index score of 11 through 15. Residents who qualify for Impaired Cognitive/Behavioral Problem groups but have an ADL Index score of 11 through 15 are also assigned to this level.
17. A resident is assigned to Physical Function 3 (level NF37) if the resident has not qualified for another level of care and has an ADL Index score of 9 or 10.
18. A resident is assigned to Physical Function 2 (level NF36) if the resident has not qualified for another level of care and has an ADL Index score of 6 through 8.
19. A resident is assigned to Physical Function 1 (level NF35) if the resident has not qualified for another level of care and has an ADL Index score of 4 or 5.

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12-013.02 The ADL (Activities of Daily Living) Index: The ADL Index combines scores from four ADLs - bed mobility, toileting, transfer, and eating. The Index is used in determining the resident's level of care.

The Index is formed by scoring a resident on the component ADLs as described below:

ADL	Score
Bed Mobility, Toileting, and Transfer (each scored separately):	
If Resident "Self Performance" is:	
Independent or Supervision . . . . .	1
Limited Assistance . . . . .	3
Extensive Assistance or Total Dependence AND	
"Support Provided" is:	
Other than two + persons physical assist . . . . .	4
Two + persons physical assist. . . . .	5
Eating:	
If Resident "Self Performance" is:	
Independent or Supervision . . . . .	1
Limited Assistance . . . . .	2
Extensive Assistance or Total Dependence OR	
Resident receives Parenteral or Tube Feeding. . . . .	3

The scores from each ADL variable are summed to compute the ADL Index score (the ADL Index score will range from 4 to 18 for each resident).

12-013.03 Weighting of Resident Days Using Resident Level of Care and Weights: Each facility resident is assigned to a level of care per 471 NAC 12-013.01. Each resident's level of care is appropriately updated from each assessment to the next - the admission assessment, a significant change assessment, the quarterly review, the annual assessment, etc., and is effective for payment purposes on the first day of the month of the applicable assessment if it is received by the tenth day of the month of the applicable assessment. A change in resident level of care which results from an audit of assessments (see 471 NAC 12-013.05) is retroactive to the effective date of the assessment which is audited.

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For each reporting period, the total number of residents in each level of care is multiplied by the total number of corresponding days for each resident at that level. This product is then multiplied (weighted) by the corresponding weight (see 471 NAC 12-013.04). Each resulting product is the Weighted Resident Days for that level. The Weighted Resident Days for all levels are then summed to determine the total number of Weighted Resident Days for the facility, which is the divisor for the Direct Nursing Component.

12-013.04 Resident Level of Care Weights: The following weighting factors shall be assigned to each resident level of care:

<u>Description</u>	<u>Level</u>	<u>Weight</u>
Extensive Special Care 3 (ESC3)	70	8.53
Extensive Special Care 2 (ESC2)	69	6.14
Extensive Special Care 1 (ESC1)	68	4.42
Special Special Care 3 (SSC3)	62	3.96
Special Special Care 2 (SSC2)	61	3.53
Special Special Care 1 (SSC1)	60	3.27
Clinically Complex 4 (CC4)	56	3.29
Clinically Complex 3 (CC3)	55	2.83
Clinically Complex 2 (CC2)	54	2.46
Clinically Complex 1 (CC1)	53	1.69
Impaired Cognitive 2 (IC2)	49	2.32
Impaired Cognitive 1 (IC1)	48	1.42
Challenging Behavior 2 (CB2)	45	2.23
Challenging Behavior 1 (CB1)	44	1.20
Physical Function 5 (PF5)	39	2.72
Physical Function 4 (PF4)	38	2.40
Physical Function 3 (PF3)	37	2.13
Physical Function 2 (PF2)	36	1.63
Physical Function 1 (PF1)	35	1.00

12-013.05 Verification: Resident assessment information is audited as a procedure in the Nebraska Department of Health Survey and Certification process.

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## Estimated Cost of Nebraska Nursing Facilities in Meeting OBRA 87 Requirements:

- Continuous education for nurse aides: This requirement increased required training for aides from 30 hours to 75 hours. Formal competency evaluations and a State registry are now mandated; there were no such State requirements prior to OBRA 87. The cost estimate is \$1.76 million.
- Nurse staffing requirements: This provision increased professional staffing requirements for many Nebraska facilities. Prior to OBRA 87, only SNF's and a few ICF's met OBRA requirements for 24-hour licensed staff with eight hours of RN coverage daily. Now, all facilities, unless waived, must meet staffing requirements. The cost estimate for the additional staffing is \$9.44 million.
- Other staffing requirements:
  - Social Worker: This provision requires facilities with more than 120 beds to have at least one social worker with at least a bachelor's degree in social work or similar professional qualifications employed full-time. No previous State requirements of this kind existed. The cost estimate for this requirement is \$0.10 million.
  - Other staff (dietary, pharmacy, dental, med records, activities): It is anticipated that some Nebraska facilities will have to increase staff in one or more of these areas in order to be certified. It is impossible to estimate the cost impact in each area, but it is estimated that an average impact on each facility is \$4,850, for a total of \$1.07 million.
  - Resident assessments: This provision requires resident assessments using a specified instrument. No previous State requirement of this kind existed, although most facilities used their own system in order to establish payment rates for private pay residents and/or establish plans of care for residents. The State mandated assessment instrument will be much more involved and complex than those generally in use, adding an estimated cost of \$0.46 million.
- Plans of care: Facilities are required to have a plan of care for each resident. Plans of care were also required prior to OBRA 87. The plans of care under OBRA 87 will be a natural product of the resident assessment, with additional cost estimated at \$0.11 million.
- Resident Personal Funds: OBRA 87 specifies requirements for the management of resident's personal funds. Most Nebraska facilities were following similar procedures prior to OBRA 87. Therefore, we are estimating a minimal impact of 1/8 employee per facility to comply with new requirements, and an estimated cost impact of \$0.34 million.

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- Resident Rights: OBRA 87 specifies specific resident rights which must be promoted and protected, addresses transfer and discharge rights, access and visitation rights, provides for equal access to quality care, and prescribes admission practices which must be followed. Nebraska facilities, in providing quality care, were already in substantial compliance with these provisions; OBRA 87 only puts in writing what was being done in practice in this state. We estimate that the formalization of the process will require an additional 1/4 employee per facility, and an estimated impact of \$0.92 million.

Description	Cost (in \$ millions)	Per Diem
- Continuous education for nurse aides: 220 facilities x estimated 40 aides per facility x estimated \$200 training cost per person	\$1.76	\$0.29
- Nurse staffing requirements: 170 estimated facilities x estimated 2 additional staff/facility x estimated \$27,750 average salary	9.44	1.58
- Other staffing requirements: Social Worker: estimated 10 facilities x estimated \$10,00 additional cost	0.10	
Other staff (dietary, pharmacy, dental, med records, activities): 200 facilities x estimated \$4,850 cost/facility	1.07	0.20
- Resident assessments: estimated 16,400 assessments x estimated 2 hours per assessment x estimated \$14 per hour	0.46	0.08
- Plans of care: estimated 16,400 plans of care x estimated 1/2 hour in additional time x estimated \$14 per hour	0.11	0.02

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Description	Cost (in \$ millions)	Per Diem
- Resident personal funds:		
220 facilities x		
estimated 1/8 full-time equivalent (FTE)		
per facility x		
estimated \$6 per hour	0.34	0.06
- Resident rights:		
200 facilities x		
estimated 1/4 FTE x		
estimated \$8 per hour	0.92	0.15
Totals	\$14.20	\$2.38

(Note: Per diem cost is computed using 5.987 million inpatient days.)

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ANALYSIS OF PERCENT INCREASE ALLOWED PER SECTION 12-011.07D

In setting the January 1, 1997 through December 31, 1997 interim rates, a 5.4% increase from allowable costs reported on the facility's June 30, 1996 cost report will be used. This is computed as follows:

	Increase	Weight
Wage Costs.....	5.0%	40.9
Other Operating Costs.....	2.7%	59.1
Ancillary and Fixed.....	0.0%	
Weighted Increase.....	3.6%	
Factor to adjust cost report period to payment period.....	1.5	
Estimated increased operating costs....	5.4%	

Notes to computation:

- The 5.0% increase in Wage Costs is a computation obtained from the Nebraska Bureau of Business Research, who did a comprehensive research study for the Department of common, non-professional job classifications which are typically found in a nursing facility. The objective of the study was to project wages of nonprofessional NF employees to year 2005. The 5.0% increase results from the combination of "normal" wage increases plus the adverse effect of labor market pressure for non-professional level employees.

- The 40.9% weight for Wage Costs represents the share of non-professional labor wages versus total operating costs; conversely the remaining proportion of operating costs is 59.1%.

- The 2.7% increase in Other Operating Costs is the estimated inflationary increase using the CPI-U.

- The inflationary factor for nursing costs includes any residual increase in costs attributable to OBRA 87 requirements (see Addendum #2).

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31-008 Payment for ICF/MR Services

31-008.01 Purpose: This section -

1. Satisfies the requirements of the State Plan for Medical Assistance and 42 CFR 447, Subpart C, which provide for payment of ICF/MR services;
2. Adopts rate setting procedures which recognize the required level and quality of care as prescribed by all governmental entities (including, but not limited to, federal, state, and local entities);
3. Establishes effective accountability for the disbursement of Medical Assistance appropriations; and
4. Provides for public notice of changes in the statewide method or level of payment pursuant to the requirements of 42 CFR 447.253(f) and 447.205.

31-008.02 Definitions: The following definitions apply to the ICF/MR payment system.

Intermediate Care Facilities for the Mentally Retarded (ICF/MR): An institution (or distinct part of an institution) that -

1. Is primarily for the diagnosis, treatment, or habilitation of persons with mental retardation or persons with related conditions; and
2. Provides, in a protected residential setting, ongoing evaluation, planning, 24-hour supervision, coordination, and integration of health and habilitative services to help each individual function at his greatest ability.

To participate in the Nebraska Medical Assistance Program (NMAP), an ICF/MR must -

1. Be licensed as a hospital or an ICF/MR by the Nebraska Department of Health or, for an out-of-state facility, meet that state's licensure requirements;
2. Meet all related requirements for participation in Medicaid as required by state and federal law and regulation;
3. Be certified as a Title XIX ICF/MR by the Nebraska Department of Health or, for an out-of-state facility, by that state's survey agency;
4. Provides licensed nurses sufficient to care for clients' health needs, as defined in 42 CFR 483.460(c) and (d);
5. Provide active treatment as defined in 471 NAC 31-001.02 and 42 CFR 435.1009, and 483.410 - 483.470; and
6. Have a current NMAP provider agreement with the Department.

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